



Low and Moderate Income Funding

An informational webinar for Maryland's Smart Energy Communities

June 4, 2013 at 10 am

Hosted by the University of Maryland Environmental Finance Center and the Maryland Energy Administration

Outline

- LMI Background
- Spending Guidelines: government-owned buildings
- Spending Guidelines: residential homes
- Documentation

Background on LMI Funding

- The law requires a portion of SEIF funds to be allocated to Low and Moderate Income Maryland residents
- LMI funding amounts for communities were determined by community size and the percentage of households below the LMI limit:
 - Based on American Community Survey (U.S. Census) data
 - 2012 Maryland Department of Housing and Community Development income levels at or below 85% of the median income for your county
- See page 5 of grant agreement for more details

Guidelines

- Only energy efficiency projects are eligible
- Needs to be tracked separately from other MSEC grant
- **Spending preference:** government-owned or operated buildings
 - Spend LMI funding on government-owned buildings that serve predominantly LMI individuals (i.e., 51% of individuals using building are LMI)
 - The community is responsible for demonstrating the building serves predominantly LMI community residents, which can be done using census data

Guideline for Residential Spending

- If not government-owned buildings...
 - LMI funding may go towards energy efficiency projects in resident homes provided that the community:
 - Ensures the residents have not recently received support from the *Maryland DHCD Weatherization Assistance Program* **OR** the *EmPOWER Low Income Energy Efficiency Program* **OR** any of the low-income programs previously operated by Maryland utilities;
 - Verifies income of all households receiving LMI funding and that they fall below the 85% income limit;
 - Invest in only cost effective projects defined as ones with a payback period of less than 10 years.

Residential Spending Continued

- Each home receiving funds will undergo an energy audit.
 - All audits funded with grant monies must be completed by a BPI or RESNET certified individual (See grant agreement).
- All building shell improvements must be made by a BPI certified contractor or supervised by BPI certified auditor.
- When identified as necessary and cost-effective in an energy audit, the following projects are eligible:
 - Air sealing, attic insulation, HVAC tune-up, HVAC filter replacement, duct sealing, water heater wrap, hot water pipe wrap, installation of low-flow showerheads, lighting replacements, furnace replacement.
 - Energy Star qualified appliance upgrades including refrigerators, clothes washers, dishwashers, window air conditioners, heat pump water heaters and natural gas water heaters.

See grant agreement for further details

Residential Spending Continued

- More rules of thumb:
 - The cost of MEA's contribution is capped at \$5,000 per home for projects not involving HVAC-component replacement, and \$8,000 for a home with an HVAC-component replacement.
 - Any home project exceeding these cost limits must be approved by MEA before hand.
 - Incidental repairs required to correct health and safety issues identified through the energy audit may be performed.

Documentation

- Expenditures for LMI funding must be tracked, reported and invoiced separately to MEA.
- The community should be prepared to demonstrate that government-owned buildings receiving LMI funding for EE projects are predominantly used by LMI residents.
 - This will need to be submitted to MEA for project approval.
- The community should be prepared to demonstrate that residents receiving funding for home energy efficiency improvements have not participated in similar programs, have completed energy audits, and have undertaken eligible projects adhering to the rules spelled out in the grant agreement.
 - This does not need to be submitted to MEA, but should be attained.

Conclusion

Thank You!

Questions?

Note: Read page 5 of the MOU Agreement as a reference before finalizing details on any given LMI project.